

In its Motion to Dismiss, Meridian Financial Services, Inc. (“Meridian”) argues that Plaintiffs’ claims asserting violations of the North Carolina Collection Agency Act, NCGSA §58-70-1 *et seq.* (“NCCAA”), and Plaintiffs’ federal law claims to the extent they are premised on violations of NCCAA, should be dismissed because Plaintiffs have failed to allege an in-state injury. In support of this position, Meridian relies on a line of cases considering application of the North Carolina Unfair Trade Practices Act, NC GS § 75-1.1, *et seq.* (“Chapter 75”) to a defendant that has committed a foreign act. See Doc. 9, pp. 6-7 (citing, *inter alia*, *The ‘In’ Porters, SA v. Hanes Printables, Inc.*,

663 F.Supp.494 (M.D.N.C. 1987); Dixie Yarns, Inc. v. Plantation Knits, Inc., No. 3:93cv301, 1994 WL 910955 (W.D.N.C. July 12, 1994).

Meridian does not, however, address a separate line of cases that consider the application of Chapter 75 to a defendant that has committed a local act or omission. See Ada Liss Group v. Sara Lee Corp., No. 06CV610, 2010 WL 3910433, at 13 (M.D.N.C. April 27, 2010); Verona v. U.S. Bancorp., 7:09-cv-57, 2011 WL 1252935, at * 15 (E.D.N.C. March 29, 2011). Plaintiff does not analyze either line of Chapter 75 cases in detail.

Additionally, neither party has discussed Wynne v. I.C. System, Inc., 124 F.Supp.3d 734, 743-744 (E.D. Va. 2015), which raises a related issue regarding Plaintiffs' statutory standing to bring a claim pursuant to the NCCAA.¹

The parties' positions regarding these issues are needed as the undersigned considers an appropriate recommendation regarding Defendant's Motion. See, e.g., Degidio v. Crazy Horse Saloon, No. 4:13-cv-2136-BHH, 2015 WL 5834280, at * 6, n. 5 (D.S.C. Sept. 30, 2015) ("the Court is hesitant to *sua sponte* dismiss a cause of action for reasons that neither party has thoroughly briefed or addressed.").

¹ Although Meridian cites Elyazidi v. SunTrust Bank, 780 F.3d 227, 236-238 (4th Cir. 2015), a case considering the reach of seemingly similar Maryland statutes, Meridian does not analyze the case.

Accordingly, Plaintiffs and Meridian are each **DIRECTED** to file a supplemental brief addressing: 1) the line of cases considering application of Chapter 75 to a defendant who has committed a local act or omission. See *Ada Liss Group v. Sara Lee Corp.*, No. 06CV610, 2010 WL 3910433, at 13 (M.D.N.C. April 27, 2010); and 2) Plaintiffs' statutory standing to assert claims under the NCCAA. See *Wynne v. I.C. System, Inc.*, 124 F.Supp.3d 734, 743-744 (E.D. Va. 2015). Each Supplemental Brief is not to exceed seven (7) pages and shall be filed by April 24, 2020.

It is so ordered.

Signed: April 9, 2020

A handwritten signature in black ink, reading "W. Carleton Metcalf", written over a horizontal line.

W. Carleton Metcalf
United States Magistrate Judge

